

House Republican Press Release

May 21, 2008
Press Office: 860-240-8700

Rep. Miller Urges Democrats to Act on Republican Budget Proposals During June Special Legislative Session



GOP Alternative Budget Offers Relief to Middle Class Families; Would Avert Looming Fiscal Crisis

Responding to pleas from middle class taxpayers for relief from skyrocketing gasoline, electricity, food and heating oil prices as the state's economy continues to deteriorate and threaten jobs, legislative Republicans vowed at a news conference Wednesday to re-introduce their alternative budget during a special legislative session in June and urged the majority Democrats to pass it.

“My constituents in Shelton and Stratford are tightening their belts and trying to get by on less to cope with steadily rising gasoline, electricity, food, and diesel fuel prices,. They are worried about job security and losing their homes – and they are losing their patience with the majority Democrats’ refusal to make any changes in the 2008-09 state budget to address major problems that are threatening their economic future,” said state Representative Lawrence G. Miller, R-122nd District, who took part in the news conference.

The Republican budget, first introduced in April, would cut state gas taxes, protect municipal state aid, fund the Early Reading Success program, provide tax incentives to small businesses, streamline state government, and reduce state spending by more than \$160 million. It would leave the ‘Rainy Day Fund’ intact and avert a state budget deficit in 2008-09, Representative Miller said.

“Our ‘Do Something’ budget proposal also would fund the early reading success program, lower the conveyance tax without harming municipalities, and reduce state gas taxes,” Representative Miller said. “Unfortunately, the Democrat majority lacks the political will to do what is needed to restore Connecticut’s damaged economy and provide badly-needed relief to working families and small businesses.”

“I will be supporting our budget proposals during the June special session and I urge my Democratic colleagues to join me. It offers a way out of fiscal and economic problems that are being aggravated by the failure of the state legislature’s Democratic leaders to act,” said Representative Miller, who earlier this year introduced or cosponsored several bills that would have provided tax relief to middle class families, seniors, and motorists.

Those measures would have: capped the state’s gross receipts tax on gasoline at three percent, preventing a scheduled increase in the tax from taking effect after June 30th;

eliminated the personal income tax on pension and Social Security income for persons aged 62 and older; provided property tax relief to eligible seniors who volunteer their services to the communities where they live; provided a rebate to the state's electricity customers; and extended tax breaks for energy-efficient home heating and cooling systems installed in single-family homes

In anticipation of the June special session, legislative Republicans revised their proposal to address the debate on extending the state conveyance tax. They have proposed a solution that will lower the conveyance tax rate without lowering state aid to municipalities. They accomplish this by keeping the municipal portion of the conveyance tax intact, while reducing the state portion (.5% on residential real estate sales under \$800,000) by .15%. The savings to taxpayers is equal to savings that would be achieved if the conveyance tax were to sunset. The Republican proposal would pay for the tax cut by implementing a Tax Amnesty program.

The Republican budget proposal is balanced, offers significant and lasting tax cuts, addresses shortfalls in the Special Transportation Fund (STF) and funds the two major criminal justice initiatives adopted this year. The proposal calls for spending \$16.84 billion, \$221 million below the existing 2008-2009 state budget.

Highlights include:

- Balanced Budget for '08 and '09 and a surplus for '09
- No Tax Increases
- No Program Cuts
- No Layoffs
- Funds Housing PILOT/tax abatement
- Repeal of the Gross Receipts Tax Increase on Gasoline Scheduled for July 1st
- Cap on the Gross Receipts Tax on Gasoline
- Phase Out of the Business Entity Tax
- Phase Out of the Estate Tax Cliff
- 1% Increase for Private Providers & Nursing Homes
- Saving the Early Reading Success Program
- Two Month Gas Tax Holiday
- Does not touch the Rainy Day Fund
- Reduces the Size and Cost of Government through Voluntary Early Retirement Incentive Program
- Lowers conveyance tax without reducing municipal aid